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**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE EU REGULATION 596/2014 ("MAR") AND ARTICLE 7 OF MAR AS IT FORMS PART OF DOMESTIC LAW IN THE UNITED KINGDOM BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 ("UK MAR")**

**Faron Pharmaceuticals Ltd**  
("Faron" or the "Company")

**Company announcement, February 21, 2024 at 2 p.m. GMT / 4 p.m. EET**

**Inside information: the Company continues active negotiations regarding Events of Default under the terms of the Funding Agreement between IPF Fund II SCA, SICAV-FIAR and Faron Pharmaceuticals Ltd and contemplates alternative short- and long-term financing options**

**TURKU, FINLAND / BOSTON, MA** – Faron Pharmaceuticals Ltd (First North: FARON, AIM: FARN), a clinical stage biopharmaceutical company pioneering macrophage reprogramming for effective anticancer immunotherapies, today announces that, in relation to the Events of Default under the terms of the Funding Agreement between IPF Fund II SCA, SICAV-FIAR ("IPF") and Faron, as announced by the Company on February 19, 2024, Faron Pharmaceuticals Ltd continues active negotiations to receive a waiver from IPF and to unblock the pledged bank accounts.

Faron is contemplating alternative short- and long-term financing options, and as a part of the possible long-term financing arrangements the Board of Directors of Faron intends as one of the alternatives to propose to the Annual General Meeting an authorisation for a rights issue contemplated to be launched when the required preparations and approvals are in place. The notice to the Annual General Meeting will be published separately at a later date.

**For more information please contact:**

**Investor Contact, US**

**LifeSci Advisors**

Daniel Ferry

Managing Director

[daniel@lifesciadvisors.com](mailto:daniel@lifesciadvisors.com)

+1 (617) 430-7576

**Investor Contact, EUR**

**Faron Pharmaceuticals**

Yrjö E K Wichmann

SVP, Funding & Investor Relations

[yrjo.wichmann@faron.com](mailto:yrjo.wichmann@faron.com)

[investor.relations@faron.com](mailto:investor.relations@faron.com)

Phone: +358 (0) 40 5868 979

**Cairn Financial Advisers LLP, Nomad**

Sandy Jamieson, Jo Turner  
Phone: +44 (0) 207 213 0880

**Sisu Partners Oy, Certified Adviser on Nasdaq First North**

Juha Karttunen  
Phone: +358 (0)40 555 4727  
Jukka Järvelä  
Phone: +358 (0)50 553 8990

**ICR Consilium**

Mary-Jane Elliott, David Daley, Lindsey Neville  
[faron@consilium-comms.com](mailto:faron@consilium-comms.com)  
Phone: +44 (0)20 3709 5700

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**About Faron Pharmaceuticals Ltd.**

Faron (AIM: FARN, First North: FARON) is a global, clinical-stage biopharmaceutical company, focused on tackling cancers via novel immunotherapies. Its mission is to bring the promise of immunotherapy to a broader population by uncovering novel ways to control and harness the power of the immune system. The Company's lead asset is *bexmarilimab*, a novel anti-Cleaver-1 humanized antibody, with the potential to remove immunosuppression of cancers through targeting myeloid cell function. *Bexmarilimab* is being investigated in Phase I/II clinical trials as a potential therapy for patients with hematological cancers in combination with other standard treatments. Further information is available at [www.faron.com](http://www.faron.com).

**Forward-looking statements**

Certain statements in this announcement are, or may be deemed to be, forward-looking statements. Forward-looking statements are identified by their use of terms and phrases such as "believe", "could", "should", "expect", "envisage", "estimate", "intend", "may", "plan", "potentially", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward-looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward-looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors.

A number of factors could cause actual results to differ materially from the results and expectations discussed in the forward-looking statements, many of which are beyond the control of the Company. In addition, other factors which could cause actual results to differ materially include the ability of the Company to successfully licence its programmes, risks associated with vulnerability to general economic and business conditions, competition, environmental and other regulatory changes, actions by governmental authorities, the availability of capital markets or other sources of funding, reliance on key personnel, uninsured and underinsured losses and other factors. Although any forward-looking statements contained in this announcement are based upon what the Directors believe to be reasonable assumptions,

the Company cannot assure investors that actual results will be consistent with such forward-looking statements. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements. Subject to any continuing obligations under applicable law or any relevant AIM Rule requirements, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward-looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.