



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

**Inside Information: Amendment to Terms and Conditions of Warrants and Funding Agreement with IPF Partners**

*Company announcement, November 18, 2022 at 11:30 AM (EST) / 4:30 PM (GMT) / 6:30 PM (EET)*

**Inside information**

**TURKU, FINLAND / BOSTON, MA** - Faron Pharmaceuticals Ltd. (AIM: FARN, First North: FARON), a clinical stage biopharmaceutical company focused on building the future of immunotherapy by harnessing the power of the immune system to tackle cancer and inflammation, announces that the Company and IPF Partners ("**IPF**") have agreed to amend certain terms and conditions of the warrants issued to IPF (the "**Warrants**") and certain terms and conditions of the secured debt agreement with IPF (the "**Funding Agreement**"), each originally announced by the Company on February 28, 2022.

Pursuant to the amended Warrant terms and conditions, the subscription price per share on the exercise of the 319,944 Warrants issued to IPF in connection with the utilization of the first tranche under the Funding Agreement shall now be the lower of either EUR 1.85 (equivalent to issue price of the placing announced on 14 October 2022) or the subscription price per share in any subsequent share offering undertaken by the Company (the subscription price was originally EUR 3.126 per share, equal to the 30-day volume-weighted average price of an ordinary share of Faron on the Nasdaq Helsinki First North exchange immediately preceding the drawdown date of the respective tranches, and subsequently amended to EUR 3.008 following further share issuances pursuant to the Warrant terms and conditions). The Board will separately resolve upon the Warrant terms and conditions applicable to Warrants to be issued in relation to the possible utilization of the second and third tranches under the Funding Agreement. The amendment of the Warrant terms and conditions has been resolved as a result of the Company and IPF entering into an amendment and restatement agreement dated November 18, 2022 which also amends certain covenant, margin and fee structure provisions of the Funding Agreement. The Company's Board of Directors has resolved on the amendments based on the authorization granted to the Board by shareholders at the Company's Extraordinary General Meeting on July 7, 2022.

The amended terms and conditions of the Warrants will be available on the Company's website at <https://www.faron.com/investors/aim-rule-26>.

**This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 ("MAR").**

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**About Faron Pharmaceuticals Ltd.**

Faron (AIM: FARN, First North: FARON) is a clinical stage biopharmaceutical company developing novel treatments for medical conditions with significant unmet needs caused by dysfunction of our immune system. The Company currently has a pipeline based on the receptors involved in regulation of immune response in oncology, organ damage and bone marrow regeneration. *Bexmarilimab*, a novel anti-Clever-1 humanized antibody, is its investigative precision immunotherapy with the potential to provide permanent immune stimulation for difficult-to-treat cancers through targeting myeloid function. Currently in Phase I/II clinical development as a potential therapy for patients with solid tumors and hematologic malignancies, *bexmarilimab* has potential as a single-agent therapy or in combination with other standard treatments including immune checkpoint molecules. Traumakine is an investigational intravenous (IV) interferon beta-1a therapy for the treatment of acute respiratory distress syndrome (ARDS) and other ischemic or hyperinflammatory conditions. Traumakine is currently being evaluated by the 59th Medical Wing of the US Air Force and the US Department of Defense for the prevention of multiple organ dysfunction syndrome (MODS) after ischemia-reperfusion injury caused by a major trauma. Faron is based in Turku, Finland. 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", "hope", "seek", "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 particular, the early data from initial patients in the MATINS trial may not be replicated in larger patient numbers and the outcome of clinical trials may not be favourable or clinical trials over and above those currently planned may be required before the Company is able to apply for marketing approval for a product. In addition, other factors which could cause actual results to differ materially include the ability of the Company to successfully licence its programmes within the anticipated timeframe or at all, 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.