Faron Pharmaceuticals Oy
("Faron" or the "Company")

Bexmarilimab **(Clevegen) development update**

- Significant survival benefit observed in patients responding to *bexmarilimab* treatment with risk of death reduced by 88%
- Gastric cancer becomes sixth tumour cohort to show early signs of clinical efficacy
- Data monitoring committee recommends dose escalation expansion in all six cohort types besides ongoing colorectal cancer

Company announcement, 22 March 2021 at 9.00 AM (EET)
Inside information

TURKU – FINLAND – Faron Pharmaceuticals Oy (AIM: FARN, First North: FARON), the clinical stage biopharmaceutical company, today announces an update from its ongoing *bexmarilimab* MATINS study, indicating significant efficacy signals among a number of patients in Part II of the trial, alongside a recommendation from the study's data monitoring committee (DMC) to increase the dosing frequency in all cohorts showing early clinical benefits.

The Phase I/II MATINS clinical trial is investigating the tolerability, safety and preliminary efficacy of *bexmarilimab*, Faron's wholly-owned novel precision cancer immunotherapy targeting Clever-1, a receptor known to be expressed on immunosuppressive macrophages in the tumour microenvironment. In this trial *bexmarilimab* is being investigated as a potential monotherapy in patients with solid tumours who have exhausted all treatment options.

As previously communicated, the first expansion stage (Part II) of the study has progressed significantly with strong patient recruitment across the 10 different hard-to-treat solid cancers under investigation. The latest data includes data from 67 Part II patients, and shows:

- A strong survival benefit following four *bexmarilimab* treatment cycles among the 10 responding patients (partial response or stable disease as best response according to the RECIST 1.1 classification). The overall risk of death among these *bexmarilimab*-responding patients was reduced by 88% (with a hazard ratio for death of 0.119, CI 0.016-0.863) compared to non-responding patients.
- Within that 100 day treatment period, non-responding patients (57) continued to show progressive disease and 85% of these patients died (48).
- Within the same period, only 10% of *bexmarilimab*-responding patients died (1/10) and median overall survival was not reached among these responders.
- Responding patients showed a clear prolongation of progression free survival (PFS), with a 93% reduction in the risk of disease progression (with a hazard ratio for progression or death of 0.068, CI 0.016-0.290) compared to non-responding patients.

Dr. Markku Jalkanen, Faron's CEO, said: "This is very exciting data supporting bexmarilimab's unique mechanism of action and adding to the accumulating evidence of *bexmarilimab's* broad potential across a range of hard-to-treat cancers. The early observations of survival benefit and the stark contrast in progression of disease among patients who do not respond to *bexmarilimab* therapy show the clinical significance of Clever-1 as immunotherapy target and the potential patient benefit when its immune-suppressive control is removed. We look forward to gathering further data from these patient cohorts to support the design of our pivotal trials for *bexmarilimab*."

The Company has previously reported early signs of clinical efficacy in five of the 10 solid tumour cohorts – colorectal cancer, cutaneous melanoma, ovarian cancer, hepatocellular cancer and cholangiocarcinoma. This group is now joined by gastric cancer, as the sixth tumour cohort under investigation to have shown early clinical benefit. *Bexmarilimab* has not demonstrated any benefits in the completed uveal melanoma cohort. The remaining three cohorts – ER+ breast cancer, pancreatic cancer and anaplastic thyroid carcinoma – continue to be investigated.

At its recent meeting, the MATINS study's DMC proposed to Faron that more frequent dosing schedules should be investigated in all six cohort types showing early clinical benefit, to optimise the treatment schedule. The DMC also recommended that higher *bexmarilimab* doses should be further tested as part of the MATINS trial. The potential of higher administration frequency at weekly and two-weekly intervals is already underway in CRC patients, with results expected later this year. The Company expects to report further data from Part II cohorts in the second quarter of 2021 and the data will be presented at an upcoming international medical meeting.

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 humanised 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 untreatable solid tumours, 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 in global trials as a potential treatment for hospitalised patients with COVID-19 and with 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.

Caution regarding 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.